

# Privy Council Office

2013–14

## Departmental Performance Report

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The Right Honourable Stephen Harper  
Prime Minister of Canada

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Wayne G. Wouters  
Clerk of the Privy Council and  
Secretary to the Cabinet

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## Foreword

Departmental Performance Reports are part of the Estimates family of documents. Estimates documents support appropriation acts, which specify the amounts and broad purposes for which funds can be spent by the government. The Estimates document family has three parts.

Part I (Government Expenditure Plan) provides an overview of federal spending.

Part II (Main Estimates) lists the financial resources required by individual departments, agencies and Crown corporations for the upcoming fiscal year.

Part III (Departmental Expenditure Plans) consists of two documents. Reports on Plans and Priorities (RPPs) are expenditure plans for each appropriated department and agency (excluding Crown corporations). They describe departmental priorities, strategic outcomes, programs, expected results and associated resource requirements, covering a three-year period beginning with the year indicated in the title of the report. Departmental Performance Reports (DPRs) are individual department and agency accounts of actual performance, for the most recently completed fiscal year, against the plans, priorities and expected results set out in their respective RPPs. DPRs inform parliamentarians and Canadians of the results achieved by government organizations for Canadians.

Additionally, Supplementary Estimates documents present information on spending requirements that were either not sufficiently developed in time for inclusion in the Main Estimates or were subsequently refined to account for developments in particular programs and services.

The financial information in DPRs is drawn directly from authorities presented in the Main Estimates and the planned spending information in RPPs. The financial information in DPRs is also consistent with information in the Public Accounts of Canada. The Public Accounts of Canada include the Government of Canada Consolidated Statement of Financial Position, the Consolidated Statement of Operations and Accumulated Deficit, the Consolidated Statement of Change in Net Debt, and the Consolidated Statement of Cash Flow, as well as details of financial operations segregated by ministerial portfolio for a given fiscal year. For the DPR, two types of financial information are drawn from the Public Accounts of Canada: authorities available for use by an appropriated organization for the fiscal year, and authorities used for that same fiscal year. The latter corresponds to actual spending as presented in the DPR.

The Treasury Board *Policy on Management, Resources and Results Structures* further strengthens the alignment of the performance information presented in DPRs, other Estimates documents and the Public Accounts of Canada. The policy establishes the Program Alignment

Architecture of appropriated organizations as the structure against which financial and non-financial performance information is provided for Estimates and parliamentary reporting. The same reporting structure applies irrespective of whether the organization is reporting in the Main Estimates, the RPP, the DPR or the Public Accounts of Canada.

A number of changes have been made to DPRs for 2013–14 to better support decisions on appropriations. Where applicable, DPRs now provide financial, human resources and performance information in Section II at the lowest level of the organization's Program Alignment Architecture.

In addition, the DPR's format and terminology have been revised to provide greater clarity, consistency and a strengthened emphasis on Estimates and Public Accounts information. As well, departmental reporting on the Federal Sustainable Development Strategy has been consolidated into a new supplementary information table posted on departmental websites. This new table brings together all of the components of the Departmental Sustainable Development Strategy formerly presented in DPRs and on departmental websites, including reporting on the Greening of Government Operations and Strategic Environmental Assessments. Section III of the report provides a link to the new table on the organization's website. Finally, definitions of terminology are now provided in an appendix.

## Prime Minister's Message

I am pleased to present the 2013–14 Departmental Performance Report for the Privy Council Office. Within this report, you will find an overview of the department's achievements against its planned priorities and commitments for the year.

In 2013–14, the Government of Canada continued to deliver on the priorities that matter most to Canadians: creating jobs and opportunities, supporting and protecting Canadian families, and advancing Canada's interests.

In order to create jobs and opportunities for Canadians, the Government implemented measures to promote skills development and to better connect Canadian workers with available jobs; continued to carry out the Government's low-tax plan; and reduced the costs of government with a view to balancing the budget by 2015. In addition, it significantly expanded trade opportunities by concluding the historic Canada-European Union Comprehensive Economic and Trade Agreement and the landmark Canada-Korea Free Trade Agreement.

During the year, the Government supported and protected Canadian families by enabling greater competition in the wireless sector, taking steps to strengthen Canada's food safety system, and supporting victims of crime and punishing criminals. It also advanced the interests of Canada by providing further support to help meet the needs of veterans, further strengthening Canada's immigration system, and honouring Canada's Confederation as we approach our historic 150th anniversary in 2017.

As a result of the Government's actions, Canada's economy remains among the strongest in the G7, and we are on track to achieve a budget surplus in 2015–16. This will allow us to keep taxes low and ensure that Government spending on the priorities of Canadians is sustainable.

Over the course of the year, the Privy Council Office played a central advisory and coordination role to support the Government in achieving its objectives. I invite you to read this report, which outlines the numerous ways the Privy Council Office contributed to the Government's priorities and commitments throughout 2013–14.

The Right Honourable Stephen Harper  
Prime Minister of Canada





## Section I: Organizational Expenditure Overview

### Organizational Profile

**Appropriate Minister:** The Right Honourable Stephen Harper, Prime Minister of Canada

**Institutional Head:** Wayne G. Wouters, Clerk of the Privy Council and Secretary to the Cabinet

**Ministerial Portfolio:** Privy Council Office

**Year of Incorporation / Commencement:** 1867

### Organizational Context

#### Raison d'être

The mandate of the Privy Council Office (PCO) is to serve Canada and Canadians by providing professional, non-partisan advice and support to the Prime Minister, the ministers within the Prime Minister's portfolio and Cabinet. The Prime Minister is responsible for this organization.

PCO supports the development of the Government of Canada's policy and legislative agendas, coordinates responses to issues facing the Government and the country, and supports the effective operation of Cabinet. PCO is led by the Clerk of the Privy Council. In addition to serving as the Deputy Head for PCO, the Clerk also acts as Secretary to the Cabinet and Head of the Public Service.

#### Responsibilities

PCO has three main roles:

##### **1. Provide non-partisan advice to the Prime Minister, portfolio ministers, Cabinet and Cabinet committees on matters of national and international importance.**

This responsibility includes:

- providing advice and support on the full spectrum of policy and legislative issues faced by the Government, including those pertaining to: social and economic affairs; regional development; international affairs; national security; development assistance; defence; intergovernmental relations; the environment; democratic reform; and legal issues;
- consulting and collaborating with domestic and international stakeholders and partners inside and outside of government, including provincial and territorial governments;
- providing non-partisan advice and support on the development and implementation of the Government's parliamentary and legislative agendas;

- advising on Canada's Westminster style of government and on government structure and organization; and
- providing policy advice on and operational support to the Governor-in-Council appointments system, including the selection, recruitment, appointment and compensation of senior officials in federal departments, agencies and Crown corporations.

## **2. Support the smooth functioning of the Cabinet decision-making process and facilitate the implementation of the Government's agenda.**

This responsibility includes:

- managing Cabinet's decision-making system;
- coordinating departmental policy and legislative proposals to Cabinet, with supporting analysis and advice;
- providing scheduling and support services for meetings of Cabinet and Cabinet committees;
- advancing the Government's agenda across federal departments and agencies and with external stakeholders; and
- preparing Orders in Council and other statutory instruments to execute Government decisions.

## **3. Foster a high-performing and accountable Public Service.**

This responsibility includes:

- leading business transformation and renewal of the Public Service in order to meet emerging challenges and priorities, and to position the institution for the future; and
- human resources management of senior leaders.

For more information on PCO's main roles, please visit the department's website.<sup>1</sup>

## Strategic Outcome and Program Alignment Architecture

**1. Strategic Outcome:** The Government's agenda and decision making are supported and implemented and the institutions of government are supported and maintained.

**1.1 Program:** Prime Minister and portfolio ministers' support and advice

**1.1.1 Sub-Program:** Issues, policies, machinery and appointments

**1.1.2 Sub-Program:** International affairs and national security

**1.1.3 Sub-Program:** Intergovernmental affairs

**1.1.4 Sub-Program:** Legislation, parliamentary issues and democratic reform

**1.1.5 Sub-Program:** Prime Minister's and portfolio ministers' offices

**1.2 Program:** Cabinet and Cabinet committees' advice and support

**1.2.1 Sub-Program:** Operation of Cabinet committees

**1.2.2 Sub-Program:** Integration across the federal government

**1.3 Program:** Public Service leadership and direction

**1.3.1 Sub-Program:** Renewal and human resources management of the Public Service

**1.3.2 Sub-Program:** Management of senior leaders

**1.4 Program:** Commissions of inquiry

**Internal Services**

## Organizational Priorities

PCO has four ongoing priorities that closely support the department's single Strategic Outcome: "The Government's agenda and decision making are supported and implemented and the institutions of government are supported and maintained." As illustrated below and as supported by evidence in Section II of this report, PCO met its planned level of performance in support of its organizational priorities in 2013–14.

### Organizational Priorities

Priority 1	Type <sup>a</sup>	Program
Support the Prime Minister in exercising his overall leadership responsibility	Ongoing	1.1: Prime Minister and portfolio ministers' support and advice
<b>Summary of Progress</b>		
<ul style="list-style-type: none"> <li>• Provided professional, non-partisan advice and support to assist the Government in framing its policy and legislative agendas and supported the announcement of these priorities through the 2013</li> </ul>		

Speech from the Throne.

- Played a central monitoring and coordination role for the government-wide implementation of Canada's Economic Action Plan (EAP) 2013, and supported the formulation of EAP 2014.
- Coordinated strategic communications planning for all government announcements and priorities during the year, and coordinated the development and implementation of the Government of Canada's annual Advertising Plan.
- Provided policy advice and operational support for competency-based selection processes for Governor-in-Council appointments, resulting in 551 Governor-in-Council appointments made during the fiscal year.
- Supported the Prime Minister's engagement with world leaders, assisting with 25 visits abroad and helping to welcome 13 such leaders to Canada.
- Supported the Prime Minister and the Minister of Intergovernmental Affairs in 26 bilateral engagements with their provincial and territorial counterparts throughout the year.

Priority 2	Type	Programs
Focus on key policy and legislative areas and strengthen medium-term policy planning	Ongoing	1.1: Prime Minister and portfolio ministers' support and advice 1.2: Cabinet and Cabinet committees' advice and support
<b>Summary of Progress</b>		
<ul style="list-style-type: none"> <li>• Provided advice and support regarding budget measures, including the balance of expenditures and revenues, in support of the Government's objective to return to balanced budgets in 2015.</li> <li>• Oversaw and supported the implementation of government-wide measures to strengthen the Government of Canada's Expenditure Management System and improve the fiscal management of both new and existing spending.</li> <li>• Provided strategic advice on numerous initiatives in support of the Government's jobs and growth agenda, such as: the Canada Job Grant; reforms to the Temporary Foreign Worker Program; the new Expression of Interest system of immigration; and the New Building Canada Plan.</li> <li>• Supported the Government in advancing its trade and prosperity agenda through, among other things, the completion in principle of the Canada-European Union Comprehensive Economic and Trade Agreement and the completion of the Canada-Korea Trade Agreement.</li> <li>• Worked closely with departments and agencies to advance a range of other social and economic priorities, including: advising on the development of the new Defence Procurement Strategy; supporting the approval process for new food and drug safety initiatives; and advising on the commemoration of Canada's 150th anniversary of Confederation in 2017.</li> <li>• Provided advice and support to the Government on the development of national security policy, legislation and programs with a view to enhancing the Government's ability to counter current and</li> </ul>		

emerging threats.

- Supported the advancement of the Government's Regulatory Cooperation Council Action Plan and the Beyond the Border Action Plan.
- Continued to coordinate Canadian efforts to prevent migrant smuggling by: strengthening relationships with key partners and transit states; enhancing awareness of the migrant smuggling threat; supporting capacity-building measures in law enforcement and other areas through partner departments.
- Supported a total of 116 Cabinet and Cabinet committee meetings, as well as a total of 109 deputy minister meetings over the course of the year.
- Coordinated and supported the legislative process for 38 Government bills that were introduced in the year, of which 27 received Royal Assent.
- Coordinated deputy minister policy committees to identify and examine medium-term policy planning issues within their respective mandates.

Priority 3	Type	Programs
Support management and accountability of government	Ongoing	1.3: Public service leadership and direction 1.4: Commissions of inquiry
<b>Summary of Progress</b>		
<ul style="list-style-type: none"> <li>• Provided the Prime Minister and the Clerk of the Privy Council with non-partisan advice and support throughout the year on Public Service renewal, business transformation, and the human resources management of senior leaders.</li> <li>• Led the timely development of the Clerk's <i>Twenty-First Annual Report to the Prime Minister on the Public Service of Canada</i>, which was released in May 2014. PCO also provided ongoing secretariat and analytical support to the Prime Minister's Advisory Committee on the Public Service, which released its annual report in March 2014.</li> <li>• Promoted the renewal and transformation agenda across government by assisting the Clerk and the Deputy Clerk in a combined total of 134 outreach activities during the year.</li> <li>• Supported the Clerk of the Privy Council in leading the Blueprint 2020 initiative to engage public servants in discussions on a common vision for a world-class Public Service, leading to the release of <i>Destination 2020</i>, a report that outlines the first tranche of horizontal initiatives to be undertaken across the Public Service to achieve the vision.</li> <li>• Undertook an extensive engagement process within the department to support the Blueprint 2020 vision, culminating in a PCO Destination 2020 report that outlines three signature initiatives, focussed on enhancing people management, innovative practices and networking, and technology.</li> <li>• Administered the Performance Management Program for Governor-in-Council appointees across the Public Service.</li> </ul>		

- Supported the Clerk and the Prime Minister through the identification of succession needs at the most senior levels. This included the appointment or movement of 38 different senior leaders at the deputy minister level.

Priority 4	Type	Program
Strengthen PCO's internal management practices	Ongoing	Internal Services
<b>Summary of Progress</b>		
<ul style="list-style-type: none"> <li>• Implemented the Common Human Resources Business Process (CHRPB) initiative in PCO and prepared the department for the implementation of the Government of Canada's new Directive on Performance Management.</li> <li>• Completed the workforce adjustment process that had begun in 2012–13, in order to comply with PCO's deficit reduction commitments announced as part of EAP 2012.</li> <li>• Developed and successfully implemented a new financial forecasting discipline for PCO.</li> <li>• Established a Strategic Investment Fund (SIF), which reallocated funding to invest in key initiatives that enhanced PCO's efficiency and effectiveness and positioned the organization for government-wide transformational changes.</li> <li>• Launched an initiative to modernize and strengthen PCO's classified information technology (IT) networks and invested in a number of new innovative IT solutions.</li> <li>• Launched a Digitization Strategy to successfully convert over three million pages of paper records into a digital format, allowing for fast and accurate search and retrieval.</li> <li>• Strengthened its security and emergency management posture by addressing a range of priority areas across the department.</li> </ul>		

## Risk Analysis

In order to support the early identification and mitigation of risks that could affect the achievement of its strategic outcome and priorities, PCO actively monitors its operating environment and implements integrated risk management across the department. The following are some key risk areas that PCO identified through its integrated risk management process, and then monitored and mitigated during the 2013–14 fiscal year.

## Key Risks

Risk	Risk Response Strategy	Link to Program Alignment Architecture
Risks to the Policy and Legislative Agendas	<ul style="list-style-type: none"> <li>Actively monitored emerging domestic and international developments;</li> <li>Provided timely intelligence assessments and policy advice;</li> <li>Fostered networks to promote the sharing of critical information; and</li> <li>Coordinated with other federal departments and other partners in a timely manner to support Canada's response to emerging issues and crises.</li> </ul>	Program 1.1 Program 1.2 Program 1.3
Risks to PCO Operations	<ul style="list-style-type: none"> <li>Provided strong governance mechanisms and management oversight;</li> <li>Supported staff throughout the workforce adjustment process; and</li> <li>Implemented priority initiatives outlined in PCO's 2013–16 Integrated Business Plan and Strategic Human Resources Plan.</li> </ul>	Program 1.1 Program 1.2 Program 1.3 Internal Services
Risks to Security and Emergency Management	<ul style="list-style-type: none"> <li>Formalized PCO's "critical functions" and updated key Security and Emergency Management Plans;</li> <li>Strengthened physical and personnel security controls;</li> <li>Undertook training to enhance security expertise; and</li> <li>Strengthened relationships with first responders and the federal security communities.</li> </ul>	Program 1.1 Program 1.2 Program 1.3 Program 1.4 Internal Services

*Risks to the Policy and Legislative Agendas*

PCO supports the Government in the development, articulation and implementation of its policy and legislative agendas. This role requires PCO to identify and mitigate risks that have the potential to adversely impact these agendas. These risks include those within the scope of the Government's control (e.g., timing, scheduling and integration of the policy and legislative processes), and those that are outside of its influence (e.g., significant domestic or world events impacting priorities).

To address these risks, PCO actively monitored emerging domestic and international developments and provided timely intelligence assessments and policy advice to the Prime Minister regarding situations that could affect Canada's interests and the successful delivery of the Government's agenda. It fostered networks, both throughout government and with allies, to promote the sharing of critical information. It also continued to coordinate with other federal

departments and other partners in a timely manner to support Canada's response to emerging issues and crises.

### ***Risks to PCO Operations***

In support of the comprehensive review of government spending announced in Canada's Economic Action Plan 2012 (EAP 2012), PCO implemented the second year of planned initiatives to streamline its own business processes and enhance operational efficiency during the year. PCO worked throughout the year to ensure that the changes to its organizational and business processes were made in such a way as to maintain its capability to advise and support its clients, as well as to properly support staff members that were affected by the changes.

To mitigate this risk, the implementation plans to achieve the department's savings targets were closely monitored by the PCO Executive Committee, which provided governance and strategic direction for all savings measures and business process enhancements. The department worked to reduce workforce impacts through the effective implementation of the workforce adjustment process (for more details, please refer to the sub-section on "Support for the Workforce Adjustment Process" under Internal Services).

PCO also undertook a number of priority initiatives to mitigate this risk, as outlined in PCO's 2013–16 Integrated Business Plan and Strategic Human Resources Plan. Through the initiatives in these plans, PCO sought to effectively use staffing and recruitment to secure the competencies required by the department to meet immediate and future requirements, further develop a high-performing and adaptable workforce, and foster a respectful workplace that is conducive to employee wellness.

### ***Risks to Security and Emergency Management***

Like other federal organizations, PCO must address the risks posed by a potentially significant security incident or emergency management event. To minimize the risk of loss, safeguard assets, protect personnel and assure the continuity of its operations, PCO:

- enhanced operational readiness by formalizing the "critical functions" of the department, and updating the Departmental Security and Emergency Management Plan, building emergency response plans and communications protocols;
- strengthened physical and personnel security controls by making the department's Crisis Management Cell (CMC)—PCO's centre for the coordination of emergency situations—fully operational on a 24/7 basis;
- undertook training to enhance security expertise and practices; and

- strengthened relationships with first responders and the federal security communities by organizing several meetings with security partners in the Parliamentary Precinct to explore lessons learned over the past year and plan exercises to better coordinate responses to incidents.

## Actual Expenditures

### Budgetary Financial Resources (dollars)

2013–14 Main Estimates	2013–14 Planned Spending	2013–14 Total Authorities Available for Use	2013–14 Actual Spending (authorities used)	Difference (actual minus planned)
123,409,904	126,850,448	132,270,457	126,385,127	-465,321

### Human Resources (Full-Time Equivalents [FTEs])

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
931	903	-28

Please refer to the Budgetary Performance Summary Section on page 12 and Annex I for additional details and an explanation of financial variance.<sup>iii</sup>

## Budgetary Performance Summary for Strategic Outcome and Programs (dollars)

Strategic Outcome, Programs and Internal Services	2013–14 Main Estimates	2013–14 Planned Spending	2014–15 Planned Spending	2015–16 Planned Spending	2013–14 Total Authorities Available for Use	2013–14 Actual Spending (authorities used)	2012–13 Actual Spending (authorities used)	2011–12 Actual Spending (authorities used)
Strategic Outcome 1: The Government's agenda and decision making are supported and implemented and the institutions of government are supported and maintained.								
1.1 Prime Minister and portfolio ministers' support and advice	65,473,677	67,427,808	63,116,304	60,729,425	66,336,793	65,873,503	68,183,596	70,756,909
1.2 Cabinet and Cabinet committees' advice and support	15,446,843	15,914,917	14,292,030	13,683,643	14,147,984	14,105,792	14,917,947	18,900,020
1.3 Public service leadership and direction	2,326,616	2,438,094	3,115,243	3,115,243	2,682,090	2,463,664	2,673,659	4,579,031
1.4 Commissions of inquiry	0	0	0	0	0	0	2,558,379	11,218,897
<b>Subtotal</b>	83,247,136	85,780,819	80,523,577	77,528,311	83,166,867	82,442,958	88,333,581	105,454,857
<b>Internal Services Subtotal</b>	40,162,768	41,069,629	40,740,519	39,827,106	49,103,590	43,942,168	41,898,860	49,974,956
<b>Total</b>	123,409,904	126,850,448	121,264,096	117,355,417	132,270,457	126,385,127	130,232,441	155,429,813

### Variance Between 2013–14 Planned Spending (\$126,850,448) and 2013–14 Actual Spending (\$126,385,127)

In 2013–14, PCO successfully implemented the savings measures identified for the department as part of Canada's Economic Action Plan 2012, and its budget was reduced accordingly by \$4 million. PCO's total contribution to this exercise will be a cumulative and ongoing budget reduction of \$9.2 million by 2014–15. During the year, PCO had planned for more workforce adjustment (WFA) expenditures than were actually incurred. This was due to the fact that many opting employees decided to leave their positions earlier than anticipated, resulting in actual expenditures in this area being less than expected. As a result of a timing issue between the early departure of many employees in 2012–13, and the full implementation of the savings measures starting in 2014–15, PCO reallocated existing funds to invest in a number of key strategic

initiatives. These initiatives enhanced PCO's efficiency and effectiveness and positioned the organization for government-wide transformational changes.

The Prime Minister's Office (PMO) achieved additional savings through a continued re-examination of staffing needs and spending to find further efficiencies, resulting in less spending than anticipated during the year. Spending was also lower than planned for the offices of the portfolio ministers due to a change in their responsibilities.

These savings were partially offset by PCO incurring expenses related to temporary initiatives that were not included in its 2013–14 planned spending, since funding for these initiatives had not been secured at the time of the preparation of the 2013–14 Report on Plans and Priorities (RPP). These initiatives are the Canadian Secretariat to the Canada-U.S. Regulatory Cooperation Council and the work of the Office of the Special Advisor on Human Smuggling and Illegal Migration.

For variance details between PCO's 2013–14 planned spending and 2013–14 actual spending, by program and sub-program, please refer to Annex I.<sup>iv</sup>

## Alignment of Spending With the Whole-of-Government Framework

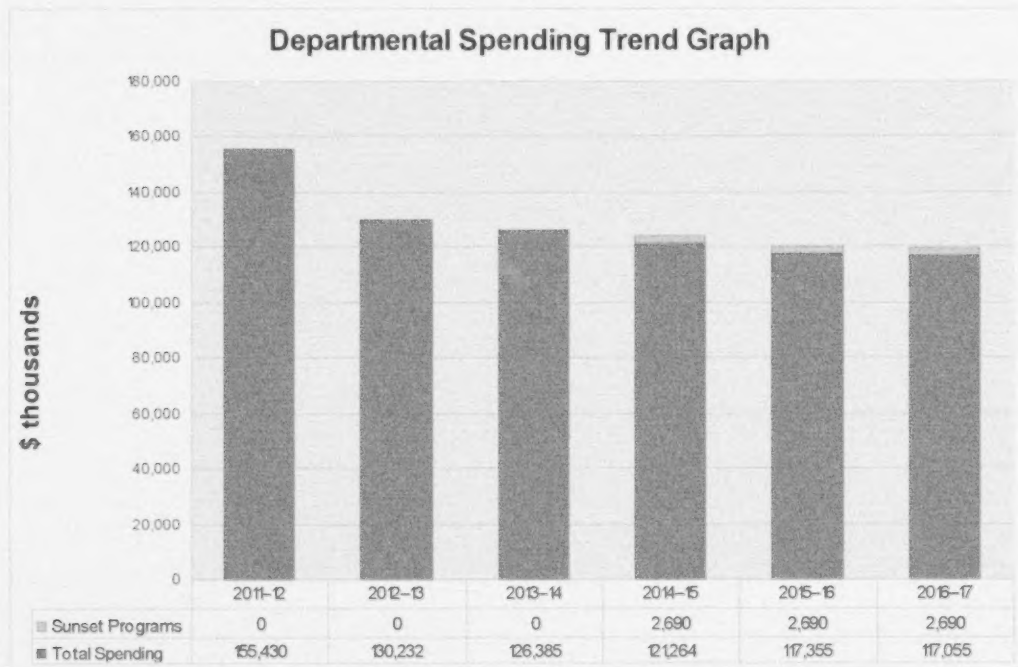
Alignment of 2013–14 Actual Spending With the Whole-of-Government Framework<sup>v</sup>  
(dollars)

Strategic Outcome	Program	Spending Area	Government of Canada Outcome	2013–14 Actual Spending
1. The Government's agenda and decision making are supported and implemented and the institutions of government are supported and maintained.	1.1: Advice and support to the Prime Minister and portfolio ministers	Government Affairs	Strong and independent democratic institutions	65,873,503
	1.2: Advice and support to Cabinet and Cabinet committees	Government Affairs	Strong and independent democratic institutions	14,105,792
	1.3: Public Service leadership and direction	Government Affairs	Well-managed and efficient government operations	2,463,664
	1.4: Commissions of inquiry	Government Affairs	A transparent, accountable, and responsive federal government	0

Total Spending by Spending Area<sup>vi</sup> (dollars)

Spending Area	Total Planned Spending	Total Actual Spending
Economic Affairs	0	0
Social Affairs	0	0
International Affairs	0	0
Government Affairs	85,780,819	82,442,958

## Departmental Spending Trend



The overall trend in the graph above illustrates a notable decrease in departmental spending between fiscal years 2011–12 and 2012–13, followed by a more stable level of spending going forward.

Departmental spending in 2012–13 was \$25.2 million lower than in 2011–12, which is explained by:

- the completion of the Commission of Inquiry into the Decline of Sockeye Salmon in the Fraser River, the Afghanistan Task Force and the Panel of Arbiters;
- savings achieved through PCO's 2010 Strategic Review, as well as deficit reduction measures announced as part of EAP 2012;
- decreased spending on contributions to employee benefit plans and severance pay requested by employees following the ratification of specific collective agreements; and
- the staged transfer of information technology resources to the newly created agency, Shared Services Canada.

These decreases in spending were partially offset by workforce adjustment costs incurred in 2012–13 associated with the implementation of the aforementioned Strategic Review and deficit reduction measures.

Departmental spending in 2013–14 was \$3.8 million lower than in 2012–13, which is explained in part by a decrease in spending within the offices of the portfolio ministers due to a change in their responsibilities, and a decrease in salary-related costs such as severance pay and contributions to employee benefit plans. The decrease in spending can also be explained in part by lower than anticipated workforce adjustment costs in 2013–14, due to the fact that most employees affected by the Workforce Adjustment Directive left the department in 2012–13.

Given the early departures of employees in 2012–13, and given that the full implementation of deficit reduction measures would not take place until 2014–15,<sup>vii</sup> PCO reallocated existing funding to invest in a number of key strategic initiatives in the 2013–14 fiscal year. These initiatives enhanced PCO's efficiency and effectiveness and positioned the organization for government-wide transformational changes.

Between 2013–14 and 2016–17, departmental planned spending is expected to decrease by \$6.6 million, which is explained by:

- the sunsetting of funds related to the Beyond the Border Action Plan, the Office of the Special Advisor on Human Smuggling and Illegal Migration and the coordination of government-wide communications for Canada's Economic Action Plan;<sup>viii</sup>
- decreased spending on salary-related items such as severance pay and contributions to employee benefit plans; and
- the transfer of resources associated with the consolidation of pay services.

## Estimates by Vote

For information on PCO's organizational Votes and statutory expenditures, consult the *Public Accounts of Canada 2014* on the Public Works and Government Services Canada website.<sup>ix</sup>

## Section II: Analysis of Programs by Strategic Outcome

### Strategic Outcome:

The Government's agenda and decision making are supported and implemented and the institutions of government are supported and maintained.

### Program 1.1: Prime Minister and portfolio ministers' support and advice

#### Description

PCO provides professional, non-partisan advice and support to the Prime Minister and portfolio ministers on the full spectrum of issues and policies they address on a daily basis.<sup>x</sup> PCO also provides advice and support on: the structure and organization of government; government-wide communications; the Governor-in-Council appointments system; the development and implementation of parliamentary and legislative programs; democratic reform; and legal issues. In addition, PCO provides administrative advice and support pertaining to the budgets of the Prime Minister's Office and those of the offices of portfolio ministers.

#### Budgetary Financial Resources (dollars)

2013–14 Main Estimates	2013–14 Planned Spending	2013–14 Total Authorities Available for Use	2013–14 Actual Spending (authorities used)	2013–14 Difference (actual minus planned)
65,473,677	67,427,808	66,336,793	65,873,503	-1,554,305

#### Human Resources (Full-Time Equivalents (FTEs))

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
529	486	-43

Please refer to Annex I for performance summary details and an explanation of financial variance.<sup>xi</sup>

## Performance Results

Expected Result	Performance Indicators	Targets	Actual Results
PCO advice enables the Government to achieve its legislative and policy agenda.	The Prime Minister and portfolio ministers are fully supported in carrying out their respective responsibilities.	Targets are not applicable to indicators pertaining to the policy function.	PCO provided the Government with effective, high-quality advice and support to ensure the Prime Minister and portfolio ministers were fully able to carry out their respective responsibilities. This is best exemplified through PCO's successful efforts to coordinate the government-wide implementation of EAP 2013 initiatives, through the formulation of EAP 2014, and the extent of legislation successfully receiving Royal Assent in Parliament.

## Performance Analysis and Lessons Learned

Throughout 2013–14, PCO provided professional, non-partisan advice and support to the Prime Minister and portfolio ministers on the entire spectrum of the Government's policy, legislative and government administration priorities.

PCO provided advice and assistance to the Government in developing, articulating and communicating its policy agenda and specific policy priorities, most notably in the delivery of the 2013 Speech from the Throne. PCO also provided advice to the Prime Minister and portfolio ministers in coordinating the decision-making processes for delivering on these priorities, as well as those established in Canada's Economic Action Plan 2013 (EAP 2013 or the 2013 federal budget). As part of these efforts, PCO worked diligently to ensure that departments and agencies implemented the Government's agenda, while also supporting the process to bring about the legislative changes needed to implement these measures.

PCO also played a central role in the formulation of EAP 2014, which was launched on February 11, 2014, by providing analysis, advice and support throughout the year to the Prime Minister and portfolio ministers on a wide spectrum of initiatives and measures.

For more information on how PCO supported the Prime Minister and the portfolio ministers in the achievement of their priorities, please refer to the sub-programs that follow.

## Sub-Program 1.1.1: Issues, policies, machinery and appointments

### Description

PCO provides advice and support to the Prime Minister and portfolio ministers on a wide range of issues and policies, including those pertaining to social, economic, regional development, and legal matters. PCO provides advice on the constitutional principles of our system of government and the prerogative responsibilities of the Prime Minister, such as the structure and organization of government. PCO coordinates government-wide communications so that they are effectively managed and responsive to the diverse information needs of the public. PCO also provides policy and operational advice on the recruitment, selection and compensation of Governor-in-Council appointees, including senior officials such as deputy ministers, heads of agencies, and chief executive officers and chairs of Crown corporations.

### Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
24,799,527	25,939,681	1,140,154

### Human Resources (FTEs)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
171	178	7

Please refer to Annex I for performance summary details and an explanation of financial variance.<sup>xii</sup>

### Performance Results

Expected Result	Performance Indicators	Targets	Actual Results
Decision making is informed by professional, non-partisan advice provided.	Advice to the Prime Minister and portfolio ministers is provided in a timely manner.	Targets are not applicable to indicators pertaining to the policy	PCO provided timely, in-depth advice and analysis on all priority issues within expected timeframes. This is best exemplified by the timely advice provided for the government-wide implementation of measures in EAP 2013, and the advice to

	<p>The Prime Minister and portfolio ministers are provided with timely support to enable decision making.</p> <ul style="list-style-type: none"> <li>• Number of Governor-in-Council appointments</li> </ul>	<p>function.</p>	<p>support the development of EAP 2014, resulting in its successful tabling in Parliament.</p> <p>PCO coordinated and managed a total of 92 selection and recruitment processes at various stages of completion for Governor-in-Council appointments during 2013–14.</p> <p>There were 551 Governor-in-Council appointments made in 2013–14. Some notable examples include: the Chair and three Vice-Chairs of the new Social Security Tribunal; the Chair of the Board and the President of the Canada Mortgage and Housing Corporation; and the President of Export Development Canada.</p>
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### Performance Analysis and Lessons Learned

In 2013–14, PCO provided professional, non-partisan advice and support to assist the Government in framing its policy and legislative agendas for the second half of its mandate, and supported the announcement of these priorities through the 2013 Speech from the Throne. The department also played a central monitoring and coordination role for the government-wide implementation of Canada's Economic Action Plan (EAP) 2013, and supported the formulation of EAP 2014. The following are highlights of the department's achievements with regard to key priority areas throughout the year:

- Provided advice and support regarding budget measures, including the balance of expenditures and revenues, in support of the Government's objective to return to balanced budgets in 2015;
- Oversaw and supported the implementation of government-wide measures to strengthen the Government of Canada's Expenditure Management System and improve the fiscal management of both new and existing spending;
- Provided strategic advice on numerous initiatives in support of the Government's jobs and growth agenda, such as: the Canada Job Grant, reforms to the Temporary Foreign Worker Program, the new Expression of Interest system of immigration, and the New Building Canada Plan;
- Supported the Government in advancing its trade and prosperity agenda through, among other things, the completion in principle of the Canada-European Union Comprehensive Economic and Trade Agreement and the completion of the Canada-Korea Trade Agreement; and

- Worked closely with departments and agencies to advance a range of other social and economic priorities, including: advising on the development of the new Defence Procurement Strategy; and supporting the approval process for new food and drug safety initiatives.

PCO coordinated strategic communications planning for all government announcements and priorities during the year, and coordinated the development and implementation of the Government of Canada's annual Advertising Plan. It made positive strides to modernize the communications function across government by supporting the planning, development and launch of a new Government of Canada website ([www.Canada.ca](http://www.Canada.ca)). PCO also provided extensive communications support for Blueprint 2020, an important Public Service-wide initiative led by the Clerk of the Privy Council.

PCO provided advice to the Prime Minister in support of the exercise of his prerogative to structure and organize the government. In 2013–14, this included advice and support pertaining to: the largest mid-mandate Cabinet shuffle in recent history; the establishment of Foreign Affairs, Trade and Development Canada; and the consolidation of entities such as the Public Service labour boards, federal bridge corporations and the proposed Administrative Tribunals Support Service of Canada.

PCO provided policy advice and operational support to ensure the successful management of competency-based selection processes for Governor-in-Council appointments. In 2013–14, PCO coordinated and managed a total of 92 selection and recruitment processes at various stages of completion for Governor-in-Council appointments. In total, there were 551 Governor-in-Council appointments made during the fiscal year.

For additional details on PCO's performance and achievements as part of this sub-program, please follow the link.<sup>xiii</sup>

## Sub-Program 1.1.2: International affairs and national security

### Description

PCO provides advice and support to the Prime Minister on matters related to: security and intelligence; foreign and defence policy; Canada-U.S. relations; international trade; development assistance; and emergency management. It coordinates advice across relevant government departments and agencies. It also conducts intelligence assessments of major international developments and trends in political, economic and security fields.

## Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
12,651,794	13,202,780	550,986

## Human Resources (FTEs)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
93	97	4

Please refer to Annex I for performance summary details and an explanation of financial variance.<sup>xiv</sup>

## Performance Results

Expected Result	Performance Indicators	Targets	Actual Results
Decision making is informed by professional, non-partisan advice provided.	<p>The Prime Minister and portfolio ministers are provided with timely support to enable decision making.</p> <p>The Prime Minister is provided with support for international engagements.</p> <ul style="list-style-type: none"> <li>Number of international engagements undertaken</li> </ul>	Targets are not applicable to indicators pertaining to the policy function.	<p>PCO provided timely support within expected timeframes on all priority issues. This is exemplified by the department's support for: advancing the trade and prosperity agendas; enhancing perimeter security, economic competitiveness, and regulatory cooperation between Canada and the United States; and for the development of national security policy, legislation and programs.</p> <p>PCO successfully planned, coordinated, and supported the implementation of the Prime Minister's international engagement agenda.</p> <p>In 2013–14, the Prime Minister participated in 13 incoming bilateral visits with world leaders and 25 visits abroad.</p>

## Performance Analysis and Lessons Learned

Throughout the year, PCO advised and supported the Prime Minister and portfolio ministers on all matters related to international affairs and national security. In 2013–14, PCO:

- Planned and executed the Prime Minister's international engagement with other world leaders, such as his highly successful visit to the Middle East in January 2014;
- Advanced the Government's trade and prosperity agenda through new free trade agreements (e.g., Canada-European Union Comprehensive Economic and Trade Agreement, Canada-Korea Free Trade Agreement);
- Supported the advancement of the Government's Regulatory Cooperation Council Action Plan by overseeing implementation of commitments by regulatory departments and initiating a forward plan to institutionalize regulatory cooperation between Canada and the United States;
- Ensured continued implementation of the Canada-United States Beyond the Border Action Plan by providing direction and guidance to implementing departments, coordinating with counterparts in the United States, engaging with stakeholders, providing expert advice to the Prime Minister, and releasing the second annual bilateral Beyond the Border Implementation Report;
- Supported the government-wide security preparations for the Winter Olympics and Paralympics Games in Sochi, Russia, including coordination with international allies and the Canadian Olympic Committee, as well as the provision of timely briefings to the Prime Minister;
- Undertook coordination and leadership within the Government of Canada in response to international crises in Syria and Ukraine, the Westgate Mall attacks in Kenya and Typhoon Haiyan in the Philippines;
- Provided advice and support to the Government on the management of domestic emergencies, such as the Alberta flooding and the Lac-Mégantic derailment, and on the coordination of federal responses and support to provinces and territories;
- Provided advice and support to the Government on the development of national security policy, legislation and programs with a view to enhancing the Government's ability to counter current and emerging threats;
- Provided advice and support to further advance the implementation of key initiatives such as Canada's Counter-terrorism Strategy and its Cyber Security Strategy;
- Continued to coordinate Canadian efforts to prevent migrant smuggling by: strengthening relationships with key partners and transit states; enhancing awareness of the migrant smuggling threat; supporting capacity-building measures in law enforcement and other areas through partner departments;
- Provided the Prime Minister and other policy makers with timely, comprehensive, policy-neutral assessments of foreign developments and trends that have the potential to affect Canada; and

- Worked to build strong relationships within the Canadian and allied intelligence communities to increase information sharing and enhance collaborative efforts.

### Sub-Program 1.1.3: Intergovernmental affairs

#### Description

PCO provides advice and support to the Prime Minister and the Minister of Intergovernmental Affairs on their bilateral engagement with provinces and territories and on the management of the federation. In support of the development and implementation of the Government's agenda and priorities, PCO provides the intergovernmental lens on policy and program initiatives.

#### Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
4,287,166	3,450,392	-836,774

#### Human Resources (FTEs)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
30	24	-6

Please refer to Annex I for performance summary details and an explanation of financial variance.<sup>xv</sup>

#### Performance Results

Expected Result	Performance Indicators	Targets	Actual Results
Decision making is informed by professional, non-partisan advice provided.	<p>The Prime Minister and portfolio ministers are provided with timely support to enable decision making.</p> <ul style="list-style-type: none"> <li>• Number of federal-provincial/territorial meetings and calls supported</li> </ul>	Targets are not applicable to indicators pertaining to the policy function.	PCO supported 26 bilateral meetings and calls involving the Prime Minister or the Minister of Intergovernmental Affairs and their counterparts. PCO also supported more than 20 meetings and calls between senior PCO officials and their provincial/territorial counterparts.

**Performance Analysis and Lessons Learned**

In the previous fiscal year, as part of the deficit reduction measures announced in EAP 2012, PCO implemented significant changes to its business processes and organizational structure pertaining to intergovernmental affairs. This component of the organization was restructured at that time and its functions were integrated into a new and more streamlined Federal-Provincial-Territorial Relations (FPTR) Secretariat, as well as into other secretariats across PCO. In 2013–14, the streamlined FPTR Secretariat worked to modify and improve existing practices in order to ensure a smooth integration of the new organization with the rest of PCO.

As part of its work during the year, the FPTR Secretariat provided advice and support to the Prime Minister, the Minister of Intergovernmental Affairs and departments, on the management of relations with provinces and territories. This included advice on key federal-provincial/territorial agreements and issues, such as the Canada Job Grant, the New Building Canada Plan, the Canada-European Union Comprehensive Economic and Trade Agreement, and national unity.

The FPTR Secretariat, in consultation with other PCO secretariats, also supported and advised the Prime Minister and Minister of Intergovernmental Affairs on a total of 26 meetings and calls with their provincial and territorial counterparts, in order to advance shared priorities in support of continued prosperity and competitiveness across the country.

**Sub-Program 1.1.4: Legislation, parliamentary issues and democratic reform****Description**

PCO provides advice and support on the development, coordination and implementation of the Government's legislative and parliamentary programs and democratic reform agenda to the Prime Minister, the Leader of the Government in the House of Commons, and the Minister of State (Democratic Reform). PCO supports the participation of these portfolio ministers in Cabinet committees and parliamentary activities. PCO supports and coordinates the government-wide process of Parliamentary Returns. In addition, administrative support is provided to the Minister of State and Chief Government Whip.

## Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
3,876,766	3,024,789	-851,977

## Human Resources (FTEs)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
26	21	-5

Please refer to Annex I for performance summary details and an explanation of financial variance.<sup>xvi</sup>

## Performance Results

Expected Result	Performance Indicators	Targets	Actual Results
Decision making is informed by professional, non-partisan advice provided.	<p>The Prime Minister and portfolio ministers are provided with timely support to enable decision making.</p> <p>PCO's advice enables the Government to achieve its legislative agenda.</p> <ul style="list-style-type: none"> <li>Number of bills introduced and passed</li> <li>Number of Parliamentary Returns managed</li> </ul>	Targets are not applicable to indicators pertaining to the policy function.	<p>PCO provided timely support on all priority issues within expected timeframes. This is exemplified by PCO's well-timed efforts to support the adoption of budget implementation legislation necessary to support all the initiatives announced as part of EAP 2013 and EAP 2014.</p> <p>38 Government bills were introduced in 2013–14; 27 bills received Royal Assent.</p> <p>A total of 3,604 Parliamentary Returns were managed across all government organizations.</p>

**Performance Analysis and Lessons Learned**

In 2013–14, PCO provided advice on and support for the coordination of the Government's legislative program in Parliament. During the year, PCO supported 38 Government bills introduced in Parliament, of which 27 bills received Royal Assent. Some notable examples of these bills include: two budget implementation acts; the *Northwest Territories Devolution Act*; and the *Faster Removal of Foreign Criminals Act*.

PCO worked throughout the year to advise on and support priority legislation in line with the Government's commitments in the 2013 Speech from the Throne. PCO was responsible for coordinating and advising on a variety of bills that: combat harmful online harassment and exploitation; protect Canadians from unsafe drugs; give injured veterans priority consideration for Public Service jobs; and stand up for victims of crime.

PCO continued to support the Government in its democratic reform agenda. PCO worked closely with the Department of Justice Canada to initiate and prepare arguments for the Government's reference to the Supreme Court of Canada on Senate reform. The department also supported and advised the Government on the introduction of comprehensive amendments to the *Canada Elections Act*, as well as on a number of Cabinet and parliamentary items related to democratic reform, including Private Members' Business.

Furthermore, PCO supported the Government by managing and coordinating the responses for 3,604 Parliamentary Returns. In addition, the department supported the Leader of the Government in the House of Commons on enhancements to procedures for Parliamentary Returns and produced an updated Guide to Producing Parliamentary Returns, which was issued in January 2014.

**Sub-Program 1.1.5: Prime Minister's and portfolio ministers' offices****Description**

The Prime Minister's Office (PMO) and the offices of portfolio ministers have the budgets to carry out their operations. PCO also provides telecommunications and audio-visual support, as well as technical support for the Prime Minister during his domestic and international visits. Furthermore, the Executive Correspondence Unit manages both inbound and outbound correspondence for PCO, PMO and portfolio ministers.

## Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
21,812,555	20,255,861	-1,556,694

## Human Resources (FTEs)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
209	166	-43

Please refer to Annex I for performance summary details and an explanation of financial variance.<sup>xvii</sup>

## Performance Results

Expected Result	Performance Indicators	Targets	Actual Results
The Prime Minister's Office and the offices of portfolio ministers are adequately resourced.	<p>The Prime Minister's Office (PMO) and offices of portfolio ministers receive appropriate resources in a timely manner.</p> <p>PMO and offices of portfolio ministers receive the necessary services in a timely manner.</p> <ul style="list-style-type: none"> <li>Number of pieces of correspondence for the Prime Minister and portfolio ministers</li> <li>Number of phone calls processed for PMO</li> </ul>	Targets are not applicable.	<p>In 2013–14, these offices received all necessary services and resources in a timely manner.</p> <p>In 2013–14, PCO's Executive Correspondence Unit processed 2,002,389 pieces of correspondence (i.e., paper mail and email) for the Prime Minister and portfolio ministers and sent 82,422 responses (i.e., letters and email). For more details, please refer to Annex II.<sup>xviii</sup></p> <p>In 2013–14, PCO's Executive Correspondence Unit received and processed 12,486 phone calls transferred from PMO.</p>

### Performance Analysis and Lessons Learned

In 2013–14, PCO provided timely support for the administration of the budgets for PMO and the offices of portfolio ministers, ensuring that adequate resources were available during the year to fulfil their mandates.

PCO also successfully delivered a number of services to PMO and the offices of portfolio ministers throughout the year, including the provision of technical support for the Prime Minister while traveling, and the timely and effective management of all inbound and outbound correspondence. For example, in 2013–14, PCO's Executive Correspondence Unit processed 2,002,389 pieces of correspondence received, 82,422 responses sent, and 12,486 phone calls. For more information, please refer to the Summary of Correspondence Activities in Annex II.<sup>xix</sup>

## Program 1.2: Cabinet and Cabinet committees' advice and support

### Description

PCO supports the efficient and effective functioning of Cabinet and Cabinet committees on a day-to-day basis. As part of this work, PCO coordinates departmental policy, legislative and government administration proposals going to Cabinet and its committees; performs a challenge function during the policy development process; and prepares briefing materials and accompanying policy analysis to facilitate Cabinet's decision-making process. PCO also provides a secretariat function for Cabinet and its committees, which includes scheduling and support services for meetings, as well as preparation and distribution of Cabinet documents. In addition, PCO supports effective policy integration across the federal government so that proposals take into account the full range of departmental perspectives and issues related to implementation, such as communications, parliamentary affairs, intergovernmental relations and budget impacts.

### Budgetary Financial Resources (dollars)

2013–14 Main Estimates	2013–14 Planned Spending	2013–14 Total Authorities Available for Use	2013–14 Actual Spending (authorities used)	2013–14 Difference (actual minus planned)
15,446,843	15,914,917	14,147,984	14,105,792	-1,809,125

## Human Resources (FTEs)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
107	104	-3

Please refer to Annex I for performance summary details and an explanation of financial variance.<sup>xx</sup>

## Performance Results

Expected Result	Performance Indicators	Targets	Actual Results
The functioning and integrity of the Cabinet decision-making process are maintained.	Cabinet and Cabinet committees are provided with timely support to enable decision making. <ul style="list-style-type: none"> <li>Number of full meetings of Cabinet and Cabinet committees</li> </ul>	Targets are not applicable to indicators pertaining to the policy function.	A total of 116 meetings of Cabinet and Cabinet committees were organized in 2013–14.

## Performance Analysis and Lessons Learned

In 2013–14, the Government continued with its ambitious agenda to promote jobs, growth and long-term prosperity through EAP 2013. The Government's priorities were further articulated on October 16, 2013, in the 2013 Speech from the Throne. PCO played a central role in advising and supporting the Government in setting its forward agenda for the year, and in the decision-making processes necessary for the development of EAP 2014, released on February 11, 2014. PCO also monitored progress against commitments and priorities in the Government's policy agenda and also provided government-wide coordination to help ensure that all departments and agencies contributed successfully to the Government's priorities.

Throughout the year, PCO successfully provided the advice and support needed to maintain the integrity and smooth operation of the Cabinet decision-making process. For specific details on how PCO supported the Government in this regard, please refer to the sub-programs that follow.

## Sub-Program 1.2.1: Operation of Cabinet committees

### Description

PCO helps coordinate the operation of Cabinet and Cabinet committees, including assisting in agenda-setting and meeting management and by providing secretarial support and expert advice to Cabinet and the Chairs of Cabinet committees on the full range of issues and policies they address. PCO also prepares Orders in Council and other statutory instruments to give effect to Government decisions.

### Budgetary Financial Resources (dollars)

2013-14 Planned Spending	2013-14 Actual Spending	2013-14 Difference (actual minus planned)
10,427,106	9,268,917	-1,158,189

### Human Resources (FTEs)

2013-14 Planned	2013-14 Actual	2013-14 Difference (actual minus planned)
75	71	-4

Please refer to Annex I for performance summary details and an explanation of financial variance.<sup>xxi</sup>

### Performance Results

Expected Result	Performance Indicators	Targets	Actual Results
Cabinet and its committees are provided with the support required for decision making.	<p>Cabinet and Cabinet committees are provided with timely support to enable decision making.</p> <ul style="list-style-type: none"> <li>Cabinet documents are distributed in a timely manner to ministers</li> <li>Number of Orders in Council</li> </ul>	Targets are not applicable to indicators pertaining to the policy function.	<p>PCO prepared and distributed Cabinet documentation in both official languages in a timely manner, providing Cabinet ministers with sufficient time for briefing and making informed decisions.</p> <p>A total of 1,491 Orders in Council were approved during 2013-14.</p>

### **Performance Analysis and Lessons Learned**

PCO effectively supported all meetings of Cabinet and Cabinet committees in order to facilitate discussions on priority issues that advanced the Government's agenda. In total, 116 meetings were organized in 2013–14, and PCO worked diligently throughout the year to provide professional secretariat support and expert advice to Cabinet and the Chairs of Cabinet committees. This included the provision of strategic advice to the Prime Minister to support him in his role as Chair of Cabinet and of the Cabinet Committee on Priorities and Planning.

Under this sub-program, PCO supported only the final meeting of the Priorities and Planning Sub-Committee on Government Administration on June 10, 2013, prior to its transfer to the Treasury Board of Canada. This Sub-Committee had met 14 times in the 2012–13 fiscal year. Subsequent to the transfer of this Sub-Committee, PCO worked closely with the Treasury Board of Canada Secretariat on numerous items discussed at the Treasury Board Sub-Committee on Government Administration. The policy advice and support, which continued to be provided by PCO, contributed to recommendations related to streamlining government operations and improving service delivery to Canadians.

As part of the deficit reduction measures announced in EAP 2012, PCO successfully implemented a process to streamline the Cabinet system while enhancing the effectiveness of Cabinet decision-making processes.

PCO provided advice and support to the Prime Minister, the President of the Treasury Board and the Clerk of the Privy Council on a range of activities related to the use and management of Orders in Council, regulations and other statutory instruments. In particular, PCO supported the Clerk's responsibilities under the *Statutory Instruments Act* by ensuring that approved Orders in Council and regulations are registered, included in the consolidated quarterly index, published in the *Canada Gazette* and posted on PCO's Orders in Council website.<sup>xxii</sup>

Furthermore, in July 2013, PCO, in partnership with the Office of the Secretary to the Governor General, organized the swearing-in ceremonies for ministers and privy councillors as part of the largest mid-mandate Cabinet shuffle in recent history. The Clerk is an active participant in these ceremonies.

## **Sub-Program 1.2.2: Integration across the federal government**

### **Description**

PCO supports effective policy integration across the federal government so that policy, legislative and government administration proposals take into account the full range of

departmental perspectives and issues related to implementation, such as communications, parliamentary affairs, intergovernmental relations and budget impacts. PCO coordinates the management of deputy minister level meetings and provides expert advice to the Clerk of the Privy Council on a broad range of policy issues. PCO also supports the implementation of the Government's priorities in Parliament by providing advice and operational support for the introduction and progression of legislative initiatives, with a particular emphasis on priority bills.

#### Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
5,487,811	4,836,875	-650,936

#### Human Resources (FTEs)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
32	33	1

Please refer to Annex I for performance summary details and an explanation of financial variance.<sup>xxiii</sup>

#### Performance Results

Expected Result	Performance Indicators	Targets	Actual Results
The Government's agenda is implemented in a coordinated way.	Deputy ministers are regularly informed of the Government's agenda and activities. <ul style="list-style-type: none"> <li>Number of deputy minister meetings and sessions</li> </ul>	Targets are not applicable to indicators pertaining to the policy function.	In 2013–14, PCO provided advice and support for 109 deputy minister meetings, fostering greater policy integration across the federal government.

#### Performance Analysis and Lessons Learned

As secretariat to Cabinet and its committees, PCO plays a critical role in ensuring that policy proposals presented to ministers are developed in an integrated manner. PCO achieves this in part by performing a rigorous challenge function and providing guidance to departments so that they develop high-quality proposals that are focussed on the best interests of Canadians and

address priority areas identified by the Government. For example, in 2013–14, PCO supported the implementation of government-wide measures to strengthen the Government of Canada's Expenditure Management System. This included enforcing a higher standard of information for financial decision making in Cabinet materials, requiring Chief Financial Officer attestations in support of Cabinet proposals, and generally fulfilling a more robust challenge function in fiscal matters.

PCO supported the Clerk of the Privy Council in the coordination of analytical work across the government on medium-term policy challenges that Canada will face in the future. This work included analysis of horizontal themes, as led by the deputy minister policy committees, as well as department-specific efforts. PCO also supported the Clerk in the integration of activities across the government by convening a range of regular deputy minister-level meetings to support analysis of policy issues as well as ad-hoc meetings between deputy ministers and the Clerk of the Privy Council to finalize policy advice on specific issues.

During the year, PCO supported the Canada-Australia Public Policy Initiative (CAPPI), in which officials from both countries developed analyses of medium-term challenges on a range of shared policy priorities, including a joint foresight initiative on the future of Asia. This work culminated in a set of discussions between Canadian deputy ministers and their Australian counterparts, held on January 23–24, 2014. PCO actively contributed to the joint CAPPI report resulting from this meeting.

PCO also facilitated integration through its interactions with line departments by taking a leadership role in support of interdepartmental cooperation and collaboration. Key examples include PCO's support of: discussions on West Coast energy infrastructure development; advancing regulatory cooperation between Canada and the United States; advancing major reforms to citizenship and immigration laws and programs; and implementing the Canada Job Grant.

### Program 1.3: Public service leadership and direction

#### Description

PCO supports the development and maintenance of a high-quality Public Service that meets the highest standards of accountability, transparency and efficiency. As part of this work, PCO provides advice to the Clerk of the Privy Council and the Prime Minister on the renewal of Public Service and government operations in order to position the Public Service workforce and workplace for the future as more adaptable, innovative and streamlined. PCO also supports the

human resources management of senior leaders across the government, including performance management and leadership development.

#### Budgetary Financial Resources (dollars)

2013–14 Main Estimates	2013–14 Planned Spending	2013–14 Total Authorities Available for Use	2013–14 Actual Spending (authorities used)	2013–14 Difference (actual minus planned)
2,326,616	2,438,094	2,682,090	2,463,664	25,570

#### Human Resources (FTEs)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
15	15	0

Please refer to Annex I for performance summary details and an explanation of financial variance.<sup>xxiv</sup>

#### Performance Results

Expected Result	Performance Indicators	Targets	Actual Results
The Public Service has the talent, capacity and management frameworks to provide advice on and implement the Government's agenda.	The Public Service is engaged in renewal and business transformation activities.	Targets are not applicable to indicators pertaining to the policy function.	<p>The Public Service is engaged in significant renewal and business transformation activities as reported in the Clerk's <i>Twenty-First Annual Report to the Prime Minister on the Public Service of Canada</i>.<sup>xxv</sup></p> <p>Over 110,000 public servants are reported to have participated in Blueprint 2020 activities. Over 100 departments and organizations completed reports highlighting their Blueprint 2020 engagement activities, which were subsequently posted on GCPedia.</p>

#### Performance Analysis and Lessons Learned

In 2013–14, PCO provided advice and support to the Clerk of the Privy Council and the Prime Minister on a wide range of issues regarding the renewal of Public Service and government administration. The department advised and supported the Deputy Minister Board of Management and Renewal, as well as the Priorities and Planning Sub-Committee on

Government Administration.<sup>xxvi</sup> PCO also actively supported the Clerk's role in leading the government-wide Blueprint 2020 initiative, which sought to engage all public servants on a clear vision for the future of the Public Service.

In addition, PCO supported the Clerk in the management of senior leaders through effective succession planning, talent management, orientation and leadership development programs.

For more details on how PCO contributed to the renewal of Public Service and government administration, and to the management of senior leaders, please refer to the sub-programs that follow.

### Sub-Program 1.3.1: Renewal and human resources management of the Public Service

#### Description

PCO supports government-wide initiatives to offer improved and more responsive services to Canadians, to enhance productivity in the Public Service and to find better ways of doing business. PCO provides strategic advice on whole-of-government transformation, Public Service renewal and other major management reforms. PCO also supports the Prime Minister's Advisory Committee on the Public Service, which provides independent advice to the Prime Minister on the status of the Public Service.

#### Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
1,407,867	1,376,095	-31,772

#### Human Resources (FTEs)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
8	8	0

Please refer to Annex I for performance summary details and an explanation of financial variance.<sup>xxvii</sup>

## Performance Results

Expected Result	Performance Indicators	Targets	Actual Results
The Prime Minister and the Clerk of the Privy Council are provided with the support required to lead the Public Service renewal and business transformation agendas.	<p>The Prime Minister and the Clerk are provided with advice on Public Service renewal and business transformation.</p> <ul style="list-style-type: none"> <li>Number of meetings of the Prime Minister's Advisory Committee on the Public Service</li> <li>Number of meetings of the Deputy Minister Board of Management and Renewal</li> </ul> <p>The Public Service and its leaders are provided with advice and support.</p> <ul style="list-style-type: none"> <li>Prime Minister's Advisory Committee on the Public Service's report</li> <li>Clerk's Annual Report to the Prime Minister on the Public Service of Canada</li> <li>Number of Clerk and Deputy Clerk outreach activities on business transformation and Public Service renewal</li> </ul>	Targets are not applicable to indicators pertaining to the policy function.	<p>The Prime Minister and the Clerk were provided with advice and support on Public Service renewal and business transformation from PCO staff, the Prime Minister's Advisory Committee on the Public Service and the Deputy Minister Board of Management and Renewal.</p> <p>PCO supported three meetings of the Prime Minister's Advisory Committee on the Public Service.</p> <p>PCO supported 16 meetings of the Deputy Minister Board of Management and Renewal.</p> <p><i>The Eighth Report of the Prime Minister's Advisory Committee on the Public Service</i> was released in March 2014.</p> <p>PCO developed the Clerk's <i>Twenty-First Annual Report to the Prime Minister on the Public Service of Canada</i><sup>xxviii</sup> for the year ending March 31, 2014.</p> <p>There were 134 Clerk and Deputy Clerk outreach activities on Public Service renewal and business transformation, including activities related to Blueprint 2020.</p>

## Performance Analysis and Lessons Learned

Throughout the year, PCO contributed to sound government administration by supporting improved and more responsive services to Canadians, enhancing productivity in the Public Service, and finding innovative and efficient ways of doing business across government.

As part of this work, PCO supported the final meeting of the former Priorities and Planning Sub-Committee on Government Administration<sup>xxix</sup>, and 16 meetings of the Deputy Minister Board of Management and Renewal during the year. PCO contributed to government-wide business transformation and Public Service renewal through the provision of advice and support to these committees, and through advice to the Treasury Board Sub-Committee on Government Administration.

For example, PCO provided advice and support leading to the transfer of primary responsibility for Passport Canada from the then Foreign Affairs and International Trade Canada to Citizenship and Immigration Canada (CIC). This transfer leveraged CIC's existing role in determining Canadian citizenship, and capitalized on the robustness of its information technology operating systems to support the move to online applications.

In addition, PCO provided considerable advice on and support for the development and government-wide implementation of the new Directive on Performance Management. The objective of this directive is to promote a commitment, shared by managers, employees and their organizations, to sustaining a culture of high performance in the Public Service. The department also worked closely with Shared Services Canada to support and provide advice on its ongoing and multi-faceted information technology transformation activities.

Additional examples of government-wide initiatives to increase the effectiveness and efficiency of the Public Service were reported on in the Clerk's *Twenty-First Annual Report to the Prime Minister on the Public Service of Canada*,<sup>xxx</sup> for the year ending March 31, 2014. The report highlights the efforts underway to modernize and position the Public Service of Canada to remain a world-class institution, capable of skilfully anticipating and responding to the evolving needs of Canadians and the Government. It also reflects on notable achievements over the past year to serve Canadians at home and abroad and secure Canada's place in the world. In addition to developing the report, PCO successfully led communications activities pertaining to its release, and its dissemination to all interested readers.

Led by the Clerk of the Privy Council, the Blueprint 2020 initiative articulates a vision for a world-class Public Service equipped to serve Canada and Canadians now and into the future. In June 2013, the Blueprint 2020 dialogue process was launched to engage public servants in that vision, relying heavily on social media for its unprecedented success. Over 110,000 individuals are reported to have participated in Blueprint 2020 activities from coast to coast to coast, and over 100 departments and organizations completed reports highlighting their Blueprint 2020 engagement activities. These reports were subsequently posted on GCPedia, the federal government's wiki environment for collaboration and knowledge sharing. PCO provided

oversight on the development of the Blueprint 2020 vision and the engagement strategy, which included supporting the Clerk of the Privy Council and the Deputy Clerk in their related outreach activities. This led to the release of *Destination 2020*, a report that outlines the first tranche of horizontal initiatives to be undertaken across the Public Service to achieve the vision. PCO also provided communications support for this important Public Service-wide initiative.

Within PCO itself, an extensive engagement process was undertaken in support of the Blueprint 2020 vision. This process was led by two assistant deputy minister-level co-champions, and supported by a working group composed of representatives from all branches and secretariats from across the department. Stemming from this engagement process, the department developed a PCO Destination 2020 report that outlines three signature initiatives focussing on enhancing people management, innovative practices and networking, and technology. Working groups for each signature initiative were established to maintain momentum and monitor progress so that tangible results can be demonstrated leading up to 2020.

PCO provided ongoing secretariat and analytical support to the Prime Minister's Advisory Committee on the Public Service. Composed of eminent Canadians, the Advisory Committee offers a valuable external perspective on how to renew and continuously improve the Public Service. The Advisory Committee met three times throughout the year, with their discussions culminating in the development of its eighth annual report, released in March 2014. PCO provided the coordination and analytical support necessary to develop, communicate and disseminate the report to interested stakeholders.

### Sub-Program 1.3.2: Management of senior leaders

#### Description

PCO provides advice and support to the Prime Minister and the Clerk of the Privy Council on the human resources management of senior leaders, in order to foster a Public Service with the capacity and talent needed to deliver the Government's agenda. As part of this work, PCO supports the development of senior leaders; undertakes succession planning; implements the performance and talent management programs; and supports the Deputy Minister Committee of Senior Officials.

#### Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
1,030,227	1,087,568	57,341

## Human Resources (FTEs)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
7	7	0

Please refer to Annex I for performance summary details and an explanation of financial variance.<sup>xxxi</sup>

## Performance Results

Expected Result	Performance Indicators	Targets	Actual Results
Effective programs and mechanisms are in place for the development of future leaders of the Public Service and to develop and manage Governor-in-Council appointees.	Successful completion of the annual Performance Management Program for Governor-in-Council appointees.	Targets are not applicable to indicators pertaining to the policy function.	All programs were conducted successfully throughout the year, resulting in strengthened management of the senior leadership cadre.
	Successful completion of the Talent Management Program for assistant deputy ministers and associate deputy ministers.		PCO supported the Clerk in the management of senior leaders through effective succession planning, talent management, orientation and leadership development programs.
	Successful development and implementation of the necessary orientation and training programs for Governor-in-Council appointees.		
	Number of Committee of Senior Officials and sub-committee meetings.		PCO supported five meetings of the Committee of Senior Officials and two sub-committee meetings.

## Performance Analysis and Lessons Learned

Throughout the year, PCO supported the Clerk in the management of senior leaders through effective succession planning, talent management, orientation and leadership development programs. This work also involved providing secretariat services to the Committee of Senior Officials, responsible for the human resources programs affecting the assistant deputy minister and deputy minister communities. During the course of the year, the Committee of Senior Officials met five times, and held two sub-committee meetings—one to review the performance

of heads of agencies and one to evaluate progress against the corporate commitment—all of which were directly supported by PCO.

In 2013–14, PCO administered the Performance Management Program for Governor-in-Council appointees across the Public Service. During the year, the achievement of corporate results in support of the Government's fiscal direction continued to be emphasized as an integral part of the assessment of senior leaders. PCO also supported the discussion and assessment of departmental contributions to this process through the Committee of Senior Officials.

PCO also supported the Clerk and the Prime Minister through the identification of succession needs at the most senior levels. This included the appointment or movement of 38 different senior leaders at the deputy minister level.

## Program 1.4: Commissions of inquiry

### Description

PCO provides commissions of inquiry with financial and administrative support. As part of this work, PCO can, when necessary, provide ongoing administrative advice and support in the following areas: staffing; acquisition services; contracting; financial services; access to funding; records management; payroll support; publishing information online; translation; legal services; security; and systems support.

### Budgetary Financial Resources (dollars)

2013–14 Main Estimates	2013–14 Planned Spending	2013–14 Total Authorities Available for Use	2013–14 Actual Spending (authorities used)	2013–14 Difference (actual minus planned)
0	0	0	0	0

### Human Resources (FTEs)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
0	0	0

## Performance Results

Expected Result	Performance Indicators	Targets	Actual Results
Commissions of inquiry receive required resources as well as advice and guidance on financial and administrative matters.	Commissions of inquiry have received appropriate resources, as well as the necessary services, advice and guidance in a timely manner.	No targets have been established for this activity.	Not Applicable – No commissions of inquiry were planned or undertaken during the 2013–14 fiscal year.

## Performance Analysis and Lessons Learned

No commissions of inquiry were planned or undertaken during the 2013–14 fiscal year.

## Internal Services

## Description

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; Acquisition Services; and Other Administrative Services. Internal Services include only those activities and resources that apply across an organization and not to those provided specifically to a program.

## Budgetary Financial Resources (dollars)

2013–14 Main Estimates	2013–14 Planned Spending	2013–14 Total Authorities Available for Use	2013–14 Actual Spending (authorities used)	2013–14 Difference (actual minus planned)
40,162,768	41,069,629	49,103,590	43,942,168	2,872,539

## Human Resources (FTEs)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
280	298	18

Please refer to Annex I for performance summary details and an explanation of financial variance.<sup>xxxii</sup>

### **Performance Analysis and Lessons Learned**

In 2013–14, PCO undertook numerous initiatives to continuously improve its core internal services functions, with a view to enhancing their efficiency and effectiveness. The following are highlights of the achievements made during the year:

- Developed and implemented an action plan in support of the Common Human Resources Business Process (CHRPB) initiative. By the end of 2013–14, PCO was deemed fully compliant with the CHRPB requirements;
- Worked closely with the Office of the Chief Human Resources Officer (OCHRO) to prepare for the implementation of the Government of Canada's new Directive on Performance Management. By the end of 2013–14, all supervisors and managers had completed the mandatory training requirements, performance agreements were in place, and numerous tools and processes were established to facilitate effective performance management going forward;
- Completed the workforce adjustment process that the department had begun in the previous fiscal year. By the end of 2013–14, all necessary staff reductions were completed in order to comply with PCO's deficit reduction commitments announced as part of EAP 2012;
- Developed and implemented a new financial forecasting discipline for PCO;
- Established a Strategic Investment Fund (SIF), which reallocated temporary surplus funding to support time-limited proposals aimed at advancing priorities of the Government of Canada and the department;
- Launched an initiative to modernize and strengthen PCO's classified information technology (IT) networks, which is expected to be completed in 2014–15. Investments were also made to develop innovative IT solutions and tools, such as the Machinery Events Management System and the Autonomy Enterprise System;
- Working closely with Public Works and Government Services Canada, PCO launched a Digitization Strategy to successfully convert over three million pages of classified paper records into a digital format, allowing for fast and accurate search and retrieval;
- Implemented an electronic document management system in order to successfully streamline the review of documents, and the production of certificates, as required under section 39 of the *Canada Evidence Act*. This has resulted in considerable improvement in the efficiency of the review process; and
- Strengthened its security and emergency management posture by addressing a range of priority areas, including: enhancing operational readiness by formalizing the department's

“critical functions”; strengthening physical and personnel security controls; undertaking training to enhance security expertise and practices; and strengthening relationships with first responders and the federal security communities.

For additional details on PCO’s performance and achievements as part of this program, please follow the link.<sup>xxxiii</sup>

## Section III: Supplementary Information

The financial highlights presented below are intended to serve as a general overview of PCO's unaudited financial statements for the 2013–14 fiscal year.

PCO is funded by the Government of Canada through parliamentary authorities. Reporting of these authorities within the department's financial statements is based on accrual accounting, whereas financial reporting in the other sections of the DPR is based on the principles of cash accounting. Consequently, items recognized in the Condensed Statement of Operations and Departmental Net Financial Position and in the Condensed Statement of Financial Position are not necessarily accounted for in the same manner as those reported elsewhere in the DPR. A reconciliation between authorities used and the net cost of operations is presented in Note 3 of PCO's financial statements.<sup>xxxiv</sup>

### Financial Statements Highlights

Privy Council Office

Condensed Statement of Operations and Departmental Net Financial Position  
(unaudited)

For the Year Ended March 31, 2014

(dollars)

	2013–14 Planned Results	2013–14 Actual	2012–13 Actual	Difference (2013–14 actual minus 2013–14 planned)	Difference (2013–14 actual minus 2012–13 actual)
Total expenses	146,700,012	142,297,949	144,769,866	(4,402,063)	(2,471,917)
Total revenues	(71,395)	(79,768)	(85,018)	(8,373)	5,250
<b>Net cost from continuing operations</b>	<b>146,628,617</b>	<b>142,218,181</b>	<b>144,684,848</b>	<b>(4,410,436)</b>	<b>(2,466,667)</b>
Transferred expenses	489,915	0	415,245	(489,915)	(415,245)
<b>Net cost of operations before government funding and transfers</b>	<b>147,118,532</b>	<b>142,218,181</b>	<b>145,100,093</b>	<b>(4,900,351)</b>	<b>(2,881,912)</b>
<b>Departmental net financial position</b>	<b>6,693,305</b>	<b>3,989,873</b>	<b>8,061,073</b>	<b>(2,703,433)</b>	<b>(4,071,200)</b>

**Net cost of operations before government funding and transfers:**

**Difference between 2013–14 Actual and 2012–13 Actual**

The department's actual net cost of operations in 2013–14 was \$2.9 million lower than the previous year. This difference is primarily explained by a decrease in spending within the offices of the portfolio ministers resulting from a change in their responsibilities, the completion of the Commission of Inquiry into the Decline of Sockeye Salmon in the Fraser River, and a decrease in salary-related costs such as severance pay and contributions to employee benefit plans. The decrease is partially offset by the reallocation of funds towards one-time strategic investment projects to help advance government priorities, mitigate outstanding operational risks and address workplace requirements.

Costs for common services provided without charge by other government departments were lower than in 2012–13. In addition, the cost of certain informatics projects was reallocated from expenses to capital assets, which decreased spending in 2013–14. These decreases were partially offset by an increase in inventory usage.

On April 3, 2013, PCO transferred responsibility for the acquisition and provision of hardware and software for workplace technology devices to Shared Services Canada. As a result of this transfer, PCO's spending decreased by \$0.4 million when compared to 2012–13.

**Difference between 2013–14 Actual and 2013–14 Planned Results**

The department's actual net cost of operations in 2013–14 was \$4.9 million lower than the planned results expected for the same fiscal year. This difference is primarily explained by PCO successfully implementing, in 2013–14, the savings measures identified for the department as part of Canada's Economic Action Plan 2012. A number of other additional factors contributed to the decrease, including: staff turnover; delays in staffing; less operating costs (e.g., travel); and fewer contributions to employee benefit plans.

The difference can also be explained in part by lower than anticipated workforce adjustment costs in 2013–14, due to the fact that most employees affected by the Workforce Adjustment Directive left the department in 2012–13. In addition, PCO temporarily reallocated existing funds to invest in a number of key strategic initiatives to enhance PCO's efficiency and effectiveness and position the organization for government-wide transformational changes.

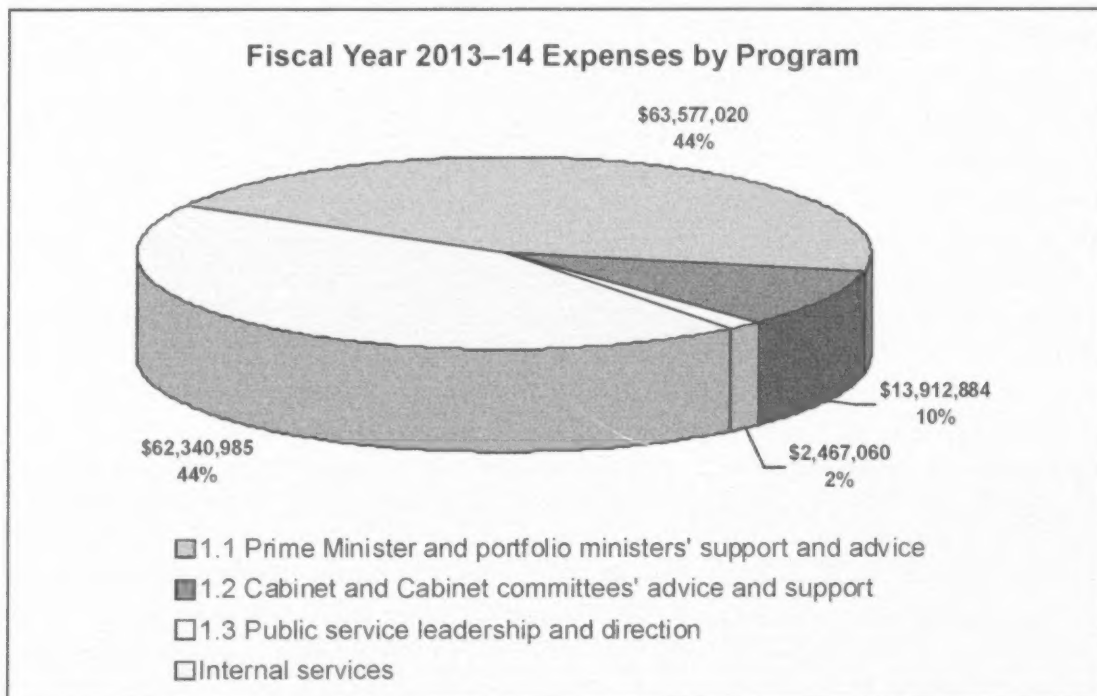
The Prime Minister's Office achieved additional savings through a continued re-examination of staffing needs and spending to find further efficiencies, resulting in less spending than

anticipated. Spending was also lower than anticipated for the offices of the portfolio ministers as a result of a change in their responsibilities.

During the year, the cost of certain informatics projects was reallocated from expenses to capital assets, resulting in less spending than planned. Costs for common services provided without charge by other government departments were also lower than planned.

These reductions in spending were partially offset by PCO incurring more expenses than initially planned for inventory, vacation allowance and temporary initiatives that were not included in its 2013–14 planned spending, since funding for these initiatives had not been secured at the time of the preparation of the 2013–14 RPP. These initiatives are the Canadian Secretariat to the Canada-U.S. Regulatory Cooperation Council and the work of the Office of the Special Advisor on Human Smuggling and Illegal Migration.

On April 3, 2013, PCO transferred responsibility for the acquisition and provision of hardware and software for workplace technology devices to Shared Services Canada. This transfer was not known at the time of the preparation of the 2013–14 RPP, which resulted in a reduction in spending of \$0.5 million compared to planned results.

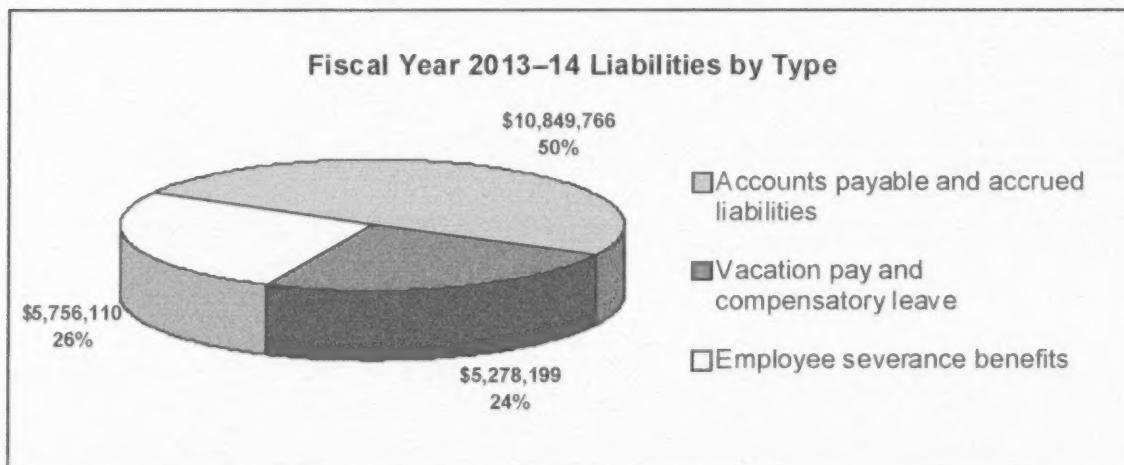


As illustrated above, departmental expenses in 2013–14 were highly concentrated under two key areas: Program 1.1 (Prime Minister and Portfolio Ministers' Support and Advice) and Internal Services. Program 1.1 represents 44% of departmental expenses, since it directly supports the central core of PCO's mandate. Internal Services also represents 44% of expenses, since the department operates in a highly centralized and unique environment whereby many costs are covered by Corporate Services.

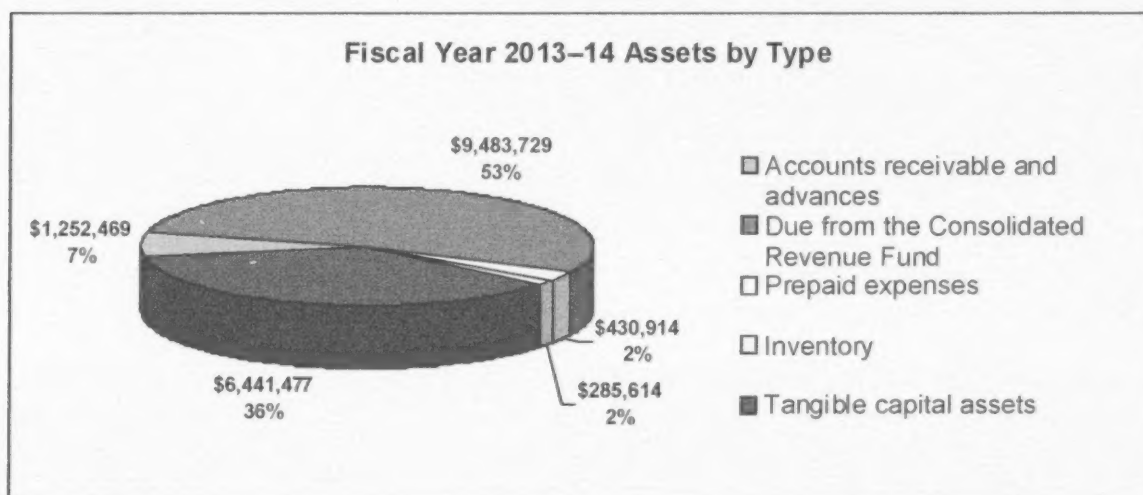
Privy Council Office  
Condensed Statement of Financial Position (unaudited)  
As at March 31, 2014  
(dollars)

	2013–14	2012–13	Difference (2013–14 minus 2012–13)
Total liabilities	21,884,075	24,570,850	(2,686,775)
Total net financial assets	10,736,198	10,780,583	(44,385)
<b>Departmental net debt</b>	<b>11,147,877</b>	<b>13,790,267</b>	<b>(2,642,390)</b>
Total non-financial assets	7,158,005	5,729,195	1,428,810
<b>Departmental net financial position</b>	<b>3,989,873</b>	<b>8,061,073</b>	<b>(4,071,200)</b>

In 2013–14, the department's net financial position decreased by \$4.1 million when compared to the previous fiscal year. The following charts provide more detailed information to explain the department's net financial position.



In 2013–14, total liabilities decreased by \$2.7 million when compared to 2012–13. No liability related to workforce adjustment costs was recorded by PCO as of March 31, 2014. The payments made in 2013–14 related to severance pay following the ratification of specific collective agreements also contributed to the decrease of the employee future benefits liability.



Total net financial and non-financial assets were \$17.9 million in 2013–14, which represents an increase of \$1.4 million compared to 2012–13. The increase is mainly due to the acquisition of assets related to one-time strategic investment projects to help advance government priorities, mitigate outstanding operational risks and address workplace requirements. The transfers from expenses to capital assets for certain informatics projects also contributed to the increase. This increase is partially offset by a decrease in inventory.

## Financial Statements

The department's financial statements can be found on its website in the Reports and Publications section.<sup>xxxv</sup>

## Supplementary Information Tables

The supplementary information tables listed in the *2013–14 Departmental Performance Report* can be found on PCO's website.

- Departmental Sustainable Development Strategy<sup>xxxvi</sup>
- Internal Audits and Evaluations<sup>xxxvii</sup>
- Response to Parliamentary Committees and External Audits<sup>xxxviii</sup>
- User Fees Reporting<sup>xxxix</sup>

## Tax Expenditures and Evaluations

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures annually in the *Tax Expenditures and Evaluations*<sup>xi</sup> publication. The tax measures presented in the *Tax Expenditures and Evaluations* publication are the sole responsibility of the Minister of Finance.

## Section IV: Organizational Contact Information

Privy Council Office

<http://www.pco-bcp.gc.ca/index.asp?page=contact&lang=eng>

Clerk of the Privy Council – Website

<http://www.clerk.gc.ca/eng/contact.asp>

Clerk of the Privy Council – Twitter Account

[http://twitter.com/Clerk\\_GC](http://twitter.com/Clerk_GC)



## Appendix: Definitions

**appropriation:** Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

**budgetary expenditures:** Include operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

**Departmental Performance Report:** Reports on an appropriated organization's actual accomplishments against the plans, priorities and expected results set out in the corresponding Reports on Plans and Priorities. These reports are tabled in Parliament in the fall.

**full-time equivalent:** Is a measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

**Government of Canada outcomes:** A set of 16 high-level objectives defined for the government as a whole, grouped in four spending areas: economic affairs, social affairs, international affairs and government affairs.

**Management, Resources and Results Structure:** A comprehensive framework that consists of an organization's inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcome(s) to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.

**non-budgetary expenditures:** Include net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

**performance:** What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve and how well lessons learned have been identified.

**performance indicator:** A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

**performance reporting:** The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

**planned spending:** For Reports on Plans and Priorities (RPPs) and Departmental Performance Reports (DPRs), planned spending refers to those amounts that receive Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their RPPs and DPRs.

**plans:** The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

**priorities:** Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Strategic Outcome(s).

**program:** A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

**results:** An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

**Program Alignment Architecture:** A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

**Report on Plans and Priorities:** Provides information on the plans and expected performance of appropriated organizations over a three-year period. These reports are tabled in Parliament each spring.

**Strategic Outcome:** A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

**sunset program:** A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

**target:** A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

**whole-of-government framework:** Maps the financial contributions of federal organizations receiving appropriations by aligning their Programs to a set of 16 government-wide, high-level outcome areas, grouped under four spending areas.



## Endnotes

<sup>i</sup> Privy Council Office website, [www.pco-bcp.gc.ca/index.asp?lang=eng](http://www.pco-bcp.gc.ca/index.asp?lang=eng)

<sup>ii</sup> Type is defined as follows: previously committed to—committed to in the first or second fiscal year prior to the subject year of the report; ongoing—committed to at least three fiscal years prior to the subject year of the report; and new—newly committed to in the reporting year of the RPP or DPR. If another type that is specific to the department is introduced, an explanation of its meaning must be provided.

<sup>iii</sup> Annex I, Financial Variance by Program and Sub-Program, <http://www.pco-bcp.gc.ca/index.asp?lang=eng&page=information&sub=publications&doc=dpr-rmr/2013-2014/supp/annex1-eng.htm>

<sup>iv</sup> See endnote iii.

<sup>v</sup> Whole-of-government framework, <http://www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx>

<sup>vi</sup> The Whole-of-Government Framework aligns the financial and non-financial contributions of departments, agencies, and Crown corporations receiving appropriations to a set of 16 high-level Government of Canada outcome areas within four overall spending areas—Economic, Social, International, and Government Affairs.

According to the Policy on Management, Resources and Results Structures (MRRS), a program can only be aligned to one of the 16 Government of Canada outcomes. Sub-programs are not-aligned to any outcomes, since they are naturally rolled-up under the parent program. Therefore, while PCO does provide advice and support in the areas of Economic, Social and International Affairs as part of its sub-programs (e.g. under sub-programs 1.1.1, 1.1.2, and 1.1.3), the most logical linkage for PCO at the program level are the outcomes listed as part of the Government Affairs spending area.

<sup>vii</sup> Effective April 1, 2014, PCO will have fully implemented its deficit reduction commitments announced as part of EAP 2012. The department's total contribution to this exercise will be a cumulative and ongoing budget reduction of \$9.2 million.

<sup>viii</sup> Please note that on February 11, 2014, Canada's Economic Action Plan 2014 announced the continuation of support for the Canadian Secretariat to the Canada-U.S. Regulatory Cooperation Council. PCO will be seeking additional funding to continue the operations of this initiative, subject to Treasury Board and Parliamentary approvals. Anticipated funding for this initiative has already been factored into the department's planned spending for fiscal years 2014–15 to 2016–17, as illustrated under Sunset Programs within the Departmental Spending Trend Graph of this document.

<sup>ix</sup> *Public Accounts of Canada 2014*, <http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html>

<sup>x</sup> This includes non-partisan advice and support in the following subject areas: social and economic affairs; regional development; foreign affairs; national security; development assistance; defence; intergovernmental relations; the environment; and legal counsel.

<sup>xi</sup> See endnote iii.

<sup>xii</sup> See endnote iii.

<sup>xiii</sup> Additional Details on PCO's Performance and Achievements in 2013–14, Sub-Program 1.1.1: Issues, policies, machinery and appointments, <http://www.pco-bcp.gc.ca/index.asp?lang=eng&page=information&sub=publications&doc=dpr-rmr/2013-2014/supp/sub1-eng.htm>

<sup>xiv</sup> See endnote iii.

<sup>xv</sup> See endnote iii.

<sup>xvi</sup> See endnote iii.

<sup>xvii</sup> See endnote iii.

<sup>xviii</sup> Summary of Executive Correspondence Activities in 2013–14, <http://www.pco-bcp.gc.ca/index.asp?lang=eng&page=information&sub=publications&doc=dpr-rmr/2013-2014/supp/annex2-eng.htm>

<sup>xix</sup> Summary of Executive Correspondence Activities in 2013–14, <http://www.pco-bcp.gc.ca/index.asp?lang=eng&page=information&sub=publications&doc=dpr-rmr/2013-2014/supp/annex2-eng.htm>

<sup>xx</sup> See endnote iii.

<sup>xxi</sup> See endnote iii.

<sup>xxii</sup> PCO's Orders in Council website, [www.pco-bcp.gc.ca/index.asp?lang=eng&page=secretariats&sub=oic-ddc](http://www.pco-bcp.gc.ca/index.asp?lang=eng&page=secretariats&sub=oic-ddc)

<sup>xxiii</sup> See endnote iii.

<sup>xxiv</sup> See endnote iii.

<sup>xxv</sup> *Twenty-First Annual Report to the Prime Minister on the Public Service of Canada*, 2014, <http://www.clerk.gc.ca/eng/feature.asp?pagelId=371>

<sup>xxvi</sup> As previously mentioned under Sub-Program 1.2.1., PCO supported only the final meeting of the Sub-Committee on June 10, 2013, after which the Sub-Committee was placed under the responsibility of the Treasury Board of Canada.

<sup>xxvii</sup> See endnote iii.

<sup>xxviii</sup> *Twenty-First Annual Report to the Prime Minister on the Public Service of Canada*, 2014, <http://www.clerk.gc.ca/eng/feature.asp?pagelId=371>

<sup>xxix</sup> As previously mentioned under Sub-Program 1.2.1., PCO supported only the final meeting of the Sub-Committee on June 10, 2013, after which the Sub-Committee was placed under the responsibility of the Treasury Board of Canada.

<sup>xxx</sup> *Twenty-First Annual Report to the Prime Minister on the Public Service of Canada*, 2014, <http://www.clerk.gc.ca/eng/feature.asp?pageId=371>

<sup>xxx1</sup> See endnote iii.

<sup>xxx2</sup> See endnote iii.

<sup>xxx3</sup> Additional Details on PCO's Performance and Achievements in 2013–14, Internal Services, <http://www.pco-bcp.gc.ca/index.asp?lang=eng&page=information&sub=publications&doc=dpr-rmr/2013-2014/supp/sub2-eng.htm>

<sup>xxx4</sup> PCO 2013–14 Financial Statements, <http://www.pco-bcp.gc.ca/index.asp?lang=eng&page=information&sub=publications&doc=dpr-rmr/2013-2014/fs-cf-eng.htm>

<sup>xxx5</sup> PCO 2013–14 Financial Statements, <http://www.pco-bcp.gc.ca/index.asp?lang=eng&page=information&sub=publications&doc=dpr-rmr/2013-2014/fs-cf-eng.htm>

<sup>xxx6</sup> Supplementary Information Table, Departmental Sustainable Development Strategy: Green Procurement Targets, <http://www.pco-bcp.gc.ca/index.asp?lang=eng&page=information&sub=publications&doc=dpr-rmr/2013-2014/supp/table1-eng.htm>

<sup>xxx7</sup> Supplementary Information Table, Internal Audits and Evaluations, <http://www.pco-bcp.gc.ca/index.asp?lang=eng&page=information&sub=publications&doc=dpr-rmr/2013-2014/supp/table2-eng.htm>

<sup>xxx8</sup> Supplementary Information Table, Response to Parliamentary Committees and External Audits, <http://www.pco-bcp.gc.ca/index.asp?lang=eng&page=information&sub=publications&doc=dpr-rmr/2013-2014/supp/table3-eng.htm>

<sup>xxx9</sup> Supplementary Information Table, User Fees Reporting, <http://www.pco-bcp.gc.ca/index.asp?lang=eng&page=information&sub=publications&doc=dpr-rmr/2013-2014/supp/table4-eng.htm>

<sup>x1</sup> *Tax Expenditures and Evaluations* publication, <http://www.fin.gc.ca/purl/taxexp-eng.asp>